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Dr. David Blumenthal MD, MPP
National Coordinator for Health Information Technology
Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

September 11, 2009

Dear Dr. Blumenthal:

On behalf of the State of Vermont, I am pleased to submit this Letter of Intent to apply for a State Health Information Exchange Cooperative Agreement for the Vermont State HIT-HIE Program, to be operated by the Office of Vermont Health Access, Division of Health Care Reform.

Vermont is recognized as a national leader in the alignment and integration of Health Information Technology (HIT), Health Information Exchange (HIE), and reform of the health care delivery system. The state stands ready to expand HIT adoption and HIE connectivity statewide, building on a five year base of planning, consensus building, governance refinement, and creation and early implementation of a standards-based technical architecture.

State Planning History. The original *Vermont Health Information Technology Plan* (VHITP) was delivered in 2007, after a series of 31 public meetings to engage stakeholders over an 18 month period. The VHITP was revised and updated in late fall, 2008, after another broad public engagement process. Passage of the HITECH Act of course changed the landscape dramatically, and it has allowed us to expand our vision and goals for HIT and HIE. As such, while the task of HIT-HIE planning was originally delegated to Vermont's private, non-profit statewide HIE, Vermont Information Technology Leaders, Inc. (VITL), legislation passed in May 2009 places authority for oversight and coordination of HIT-HIE policy within the state Division of Health Care Reform.

Accordingly, although VITL remains the state designated entity for HIE operations, the state of Vermont is applying for this Cooperative Agreement directly. State staff, in collaboration with VITL and with a robust public input process, are creating an "October 2009" edition of the VHITP that will be submitted with the Cooperative Agreement proposal in October. Based on the self-assessment guidance, the plan we will submit next month will be largely compliant with ONC's requirements for Strategic planning and partially compliant for the Operational planning section. We anticipate completion of a fully compliant plan within three months or less of the HIE Cooperative Agreement funding award.

Applicant State. At the time of this LOI submission, the intent is to include only Vermont in our proposal. There has been some outreach from officials in the state of New Hampshire about exploring a joint proposal, but there has not been sufficient time to complete those discussions before the LOI due date. In the event that there is mutual interest in pursuing a two-state approach, we will follow up immediately with ONC staff, but our expectation at this time is that Vermont will be pursuing a single state proposal. That having been said, like all the New England states, Vermont's medical community has strong ties across state borders and a significant area of emphasis for both planning and implementation relates to interoperability and exchange with New Hampshire, New York, and Massachusetts.



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The state is preparing to recruit for a full time State Government HIT Coordinator. In the interim, Mr. Blair serves in that capacity.

Participating stakeholders: In addition to state government entities (including the Agency of Human Services, the State Medicaid Agency, Department of Health, Department of Children and Families, Department for Disabilities, Aging and Independent Living, Department of Mental Health, Division of Health Care Administration, and Department of Information and Innovation), essentially every health care related association and professional organization in the state participates in one or more of the HIT-HIE Stakeholder groups convened by the Division of Health Care Reform and the Vermont Information Technology Leaders. These stakeholders include the Vermont Association of Hospitals & Health Systems, the Vermont Medical Society, Bi-State Primary Care Association, the University of Vermont College of Medicine, the UVM Center for Translational Science, the Vermont Assembly of Home Health & Agencies, the Vermont Council of Developmental & Mental Health Services, the Behavioral Health Network, the Vermont Health Care Association, the National Association of Social Workers Vermont chapter, and the Vermont Program in Quality Health Care. In addition, the Vermont Business Roundtable, the Vermont Employers Health Alliance, Vermont AARP, Blue Cross/Blue Shield of Vermont, the Vermont chapter of the ACLU, the Office of Health Care Ombudsman, Champlain College, Community College of Vermont, along with representatives of Senator Patrick Leahy and Congressman Peter Welch, as well as representatives of individual institutions and organizations, including Fletcher Allen Health Care, Dartmouth Hitchcock Medical Center, many of the state's community hospitals, individual physicians and other health professionals. Vermont HIT and HIE efforts are also regularly reviewed by the Vermont Health Care Reform Commission and the legislative House Health Care and Senate Health & Welfare Committees.

Regional HIT Extension Center. VITL has submitted a preliminary application for the first round of RHITEC funding.

CFDA Number: 93.719

Title: American Recovery and Reinvestment Act of 2009, State Grants to Promote Health Information Technology Planning and Implementation Projects

Vermont HIE Development, progress to date: Initial legislative authorization for development of HIT planning and an HIE infrastructure was passed in 2005, including state "seed" funding of the organization that became VITL. From the outset, it has been a public/private partnership, with substantial contributions of time from the leadership of the many organizations listed above, to frame a vision of successful HIT for the state, to resolve questions of governance and technical architecture, and to consider models of HIE sustainability and funding for HIT adoption and implementation.

Health information exchange and technology are a consistent focus of Vermont health policy attention, but always in the broader context of enabling transformative delivery system change. Because of that systems approach, meaningful use of HIT has been built into Vermont's vision from the outset. The VITL HIE network, for instance, is a critical conduit for

the Vermont Blueprint for Health IT infrastructure, enabling both personalized and population-based care coordination and management for the Blueprint's integrated primary care medical homes and community health teams.

Governance Capacity: Vermont's HIE governance structure has gone through evolutionary development. Originally chartered by the state to develop both the *Vermont HIT Plan* and statewide HIE, VITL took the original role in convening stakeholders and establishing the framework for HIT policy and HIE governance. In 2008, at the urging of government policy makers, VITL undertook a process to review its governance structure, ultimately reconfiguring its Board size and structure to focus more specifically on HIE implementation and EHR adoption initiatives, and less on the broader statewide HIE policy.

In 2009, Act 61 codified a governance model that divides policy planning, coordination and oversight from HIE operations and implementation. 18 V.S.A. chapter 219 § 9351 places authority for oversight and coordination of HIT-HIE policy with state government and § 9352 authorizes VITL as the statewide HIEN. The Office of Vermont Health Access, Division of Health Care Reform now convenes public meetings and work groups to ensure full public participation in the process of our state's HIT-HIE policy implementation. VITL's Board of Directors provide policy governance for the HIE itself, as well as other programs VITL operates (such as its current e-Prescribing initiative and its anticipated role as the state's Regional HIT Extension Center). The Governor and the General Assembly each appoint one member of VITL's Board.

Vermont has structured its governance model to reflect and integrate with the federal HIT-HIE policy structure enacted in the HITECH Act. Act 61 not only designates a state Government HIT Coordinator, it requires the state to produce and annually update a state HIT Plan that mirrors the requirements and process placed on ONC for the federal HIT Plan. The state Government HIT Coordinator is directly accountable to the Governor and the General Assembly and is responsible for coordinating and convening multi-disciplinary input from broad HIT stakeholders. The Coordinator is also responsible for ensuring alignment and collaboration with ARRA funded programs across state government.

Coordination with the state Medicaid program is embedded in the structure of Vermont's approach to HIT-HIE and health care reform. Vermont's state Medicaid agency is the Office of Vermont Health Access (OVHA), which includes the Division of Health Care Reform (HCR) and is designated by the Governor and state statute as the state lead for HIT. This structure will ensure complete alignment and integration of the state HIT plan with the state's Medicaid HIT plan and HIE development efforts. Vermont is currently developing the required HIT Planning – Advanced Planning Document (P-APD) and will complete the State Medicaid HIT Plan (SMHP), an Appendix to the overall VHITP, this fall and winter, to be finalized concurrently with completion of the ONC compliant Strategic and Implementation Planning sections.

Legal and Policy HIE Capacity: VITL has developed and begun to implement comprehensive data use agreements and business associate agreements, contracted with GE Healthcare to operate the Vermont HIE Network (VHIEN), is a non-profit corporation with IRS approved 501(c)3 status, and created both privacy and security policies and agreements, including: Policy on Participating Health Care Provider Policies and Procedures for the VHIEN, Policy on Patient Consent to Opt In to VHIEN, Policy on Secondary Use of Identifiable PHI on VHIEN, Policy on Information Security, Policy on Privacy and Security Events, and Policy on Auditing and Access Monitoring. In addition, the *Vermont HIT Plan* includes a chapter titled "Application of Law to the Privacy and Security Framework of a Health Information Exchange Network" last updated in April 2009 to reflect passage of the HITECH Act and its impact on privacy policies. Assistant Attorney General staff working in the Agency of Human Services also provide oversight of HIE legal issues.

Business and Technical Operations Capacity: As the entity responsible for HIE implementation, VITL's objectives for HIT and HIE fall into two basic categories: the adoption of EHR systems and the exchange of health information among health care organizations via the VHIEN. Toward the first objective, VITL is expanding its current initiatives to assist practices with purchasing approved EHR systems and guide them through the clinical transformation process. VITL also provides guidance to others seeking to purchase an EHR system on their own, and coordinates with hospitals and the Vermont Blueprint for Health's HIT initiatives. With passage of ARRA/HITECH, VITL is preparing to assist practices to achieve "meaningful use" of EHR systems and has applied to ONC for Regional Extension Center Cooperative Agreement funding. The State fully supports this application.

Toward the second objective, VITL will continue to connect health care organizations to the VHIEN to meet immediate business and clinical needs, which include:

- The delivery of data (e.g., laboratory results, radiology reports, emergency department summaries, discharge summaries) from hospital systems to practices' EHR systems or to other hospital systems.
- The reporting of data (e.g., immunizations) from practices' EHR systems to public health agencies.
- The consolidation of data from practices' EHR systems and from hospital systems into a central registry for health improvement projects (e.g., the Blueprint for Health's DocSite program).

During 2009-2010, VITL will engage with clinicians to move towards a more robust statewide use of HIE. VITL has developed a plan to complete bi-directional interfaces to each of Vermont's 13 community hospitals and single tertiary care center, as well as to a neighboring New Hampshire tertiary care medical center, in 2010. This core infrastructure capacity will then enable VITL to build HIE connectivity within each Hospital Service Area (HSA), since it is within those local communities that the vast majority of meaningful health information will be exchanged.

Because of Vermont's rural nature, medical services are generally concentrated in Hospital Service Areas served by a single hospital, with relatively limited competition across and between the HSAs. In addition, the roll out of the Blueprint for Health is organized by HSA, providing further alignment with HIT-HIE expansion. The Blueprint is the "umbrella" under which Vermont delivery system transformation is organized, and its partnership and integration with VITL's HIE expansion provides strategic leverage and drives demand.

Technical Infrastructure Capacity: The VHIEN was designed and implemented to support statewide requirements. Major components of the architecture include:

1. Integration Engine
2. Network Infrastructure and Standards-based Messaging
3. Originating/Participating Systems
4. Topical Registries/Applications
5. Central Services including
 - a. Security Service:
 - b. Patient Locator Service
 - c. Data Service/Document Locator Service
 - d. Clinical Data Locator Service
 - e. Terminology Service

Each of the services maintained and operated by the VHIEN conform to an interface standard which defines the means that other systems and services use to submit requests and receive results.

| <u>Service</u> | <u>Interface Standard</u> |
|-----------------------|---------------------------|
| Patient Locator | HL7 |
| Data | SQL or HL7 |
| Document Locator | HL7 |
| Security | LDAP |
| Terminology | Web Services |
| Clinical Data Locator | HL7 |

Finance Capacity: VITL has developed capacity to manage its financial operations as an audited, private, non-profit corporation. The ONC HIE Cooperative Agreement will be administered in the state Medicaid program business office, which also manages the State Health Information Technology Fund collections and grants (described below), and will manage the state implementation of the ARRA Section 4201 payments for qualifying Medicaid providers. Vermont's commitment to promoting the growth of HIT and HIE includes annual state appropriations, but it was recognized additional resources were required. Voluntary contributions from insurance carriers to an EHR pilot fund administered by VITL in 2007 validated the demand from physician practices for financial and technical assistance implementing HIT, but the pilot's scale was too limited. Realizing the state's ambitious goals could not be achieved without more

formal investment in HIT, Vermont instituted a Health IT Fund in 2008. A fee (2/10ths of 1%) added to all health insurance claims generates annual revenues for the state Fund which then provides grants to support HIT and HIE. It is anticipated that the Fund will be a source of matching dollars for new federal resources.

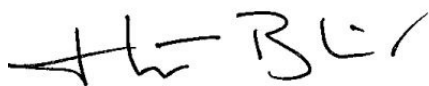
Regional HIE. New England states have collaborated across the region on the development of HIE policy and implementation, although each state is at a different level of development. Through ONC convened efforts, as well as regional state government and state HIE convened meetings, and opportunities for collaboration organized by the National Governors Association Center for Best Practices, Vermont expects to continue to actively explore interconnectivity of HIE across state borders. The three northern New England states also participate jointly in the New England Telehealth Consortium, a broadband infrastructure development entity. Finally, but quite significantly, because of the high percentage (roughly 40% of acute tertiary level services) of Vermont residents who are hospitalized or receive treatment at Dartmouth Hitchcock Medical Center (DHMC), VT-NH HIE is of critical, immediate relevance. The relationship between VITL and DHMC, as well as with Vermont hospitals in the Connecticut River Valley whose service areas extend into New Hampshire and the other New Hampshire community hospitals serving Vermont, will ensure focus on interstate HIE policies, protocols, and technical infrastructure.

Public interest. Vermont's HIT-HIE policies have, from the outset, been developed in the public interest, with the full engagement of the Vermont General Assembly and the Executive branch and the open, transparent public engagement which characterizes Vermont public policy. The extensive participation of stakeholders speaks to this, as does the codification of HIT and HIE policy in state law.

Vermont's vision for HIT is of a transformed health care system where health information is secure and readily available when people need it, positioning Vermont as a national example of high quality, cost effective care. Vermont's strategic vision for HIT and HIE goes well beyond physician and hospital connectivity: we are building a unified, operational framework for integration of the full continuum of the health care system based on the ubiquitous, interoperable exchange of health information, from physical to mental health and substance abuse services, long term care, and home health, as well as public health and social and human service agencies and connectivity for all Vermonters to Personal Health Records and other patient portals.

Thank you for your consideration of Vermont's intent to participate in the ONC HIE Cooperative Agreement program. We look forward to working closely with ONC and with CMS as we develop and implement what we believe can be a model HIE program for the nation.

Sincerely yours,



Hunt Blair, Deputy Director
Division of Health Care Reform

cc: Governor James Douglas
Robert Hofmann, Secretary, Vermont State Agency of Human Services
Susan Besio, Director, Office of Vermont Health Access, Vermont Health Care Reform
Tom Esvlin, Director, Vermont Office of Economic Stimulus & Recovery
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